



2014-15 Differentiated Pay Plan Submission Template

In June 2013, the State Board of Education passed a revised set of guidelines pursuant to Tenn. Code Ann. §49-3-306(h), which requires districts to create and implement differentiated pay plans. The intent of the differentiated pay plans is to give local control to districts in regard to salary schedule, and to create another lever for districts to attract and retain teachers based on a flexible set of potential criteria. A complete copy of the policy can be found [here](#).

Structure of this Document

The document includes two required sections where districts will describe their proposed 2014-15 differentiated pay plans and salary schedules. An optional section is also included on stakeholder engagement and eligibility. Finally, districts that choose to propose an [alternative salary schedule](#) as their differentiated pay plan, or part of their plan, will need to complete a short [addendum](#). A list of the common differentiated pay terms used throughout this document can be found in [Appendix A](#).

Timeline

The department has created a flexible timeline for differentiated pay plan submission to better meet the various deadlines of each district's local school board and budget processes. The table below outlines this timeline:

| General Differentiated Pay Plan Submission Timeline | |
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| Prior to submission | Local school boards are informed of and/or approve differentiated pay plans that will be submitted to TDOE |
| Jan. 2, 2014 | TDOE begins accepting differentiated pay plan submissions |
| Ongoing | Districts submit differentiated pay plans to TDOE |
| Three weeks after date of submission | TDOE communicates approval decision to school districts |
| Following TDOE approval notification but no later than June 30, 2014 | Local school boards approve final differentiated pay plans and any associated budget items |

For those districts that choose to implement an [alternative salary schedule](#) as their differentiated pay plan (see page 5 for more detailed information on this option) the following timeline will be used in order to meet the necessary State Board of Education (SBE) deadlines.

| Alternative Salary Schedule Submission Timeline | |
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| Prior to submission | Local school boards are informed of the alternative salary schedule that will be submitted to TDOE |
| Jan. 2, 2014 | TDOE begins accepting differentiated pay plan submissions |
| Jan. 31, 2014 | Districts submit alternative salary schedules to TDOE |
| By Feb. 21, 2014 | TDOE communicates approval decision of the alternative salary schedule to school districts |
| By March 8, 2014 | Local school boards approve the alternative salary schedule |
| March 8, 2014 | TDOE submits alternative salary schedule documents to the SBE |
| April 18, 2014 | SBE Meeting |

All differentiated pay plans and alternative salary schedules should be submitted to Laura.Encalade@tn.gov. The department also plans to post the final differentiated pay plans on its website.

Note that while the differentiated pay plan must be implemented in the 2014-15 school year, the first payouts from those plans could occur, particularly for those plans which include performance related criteria, at the completion of the 2014-15 school year when all relevant student achievement data is available. Following the 2014-15 school year, the department will collect evidence of implementation, including information regarding the number of awards that were paid out.

Contact Laura Encalade at Laura.Encalade@tn.gov or (615) 253-2119 for additional questions or guidance on creating your differentiated pay plan or on the submission and approval processes.

I. Description of Differentiated Elements (Required Section)

Directions: For each element of the district's differentiated pay plan, use the table below to provide a description of how the district will differentiate pay. The plan must include **at least one** of the elements listed below in the left-hand column, in addition to education and experience.

Many plans may include a combination of several elements; therefore, please add rows or repeat differentiated elements as needed. For example, the plan may include two different types of additional instructional roles. Also, please feel free to delete from the table or leave blank any differentiated elements that will not be used in your plan.

[Appendix B](#) of this document contains an example of each type of differentiated element. Please review that example prior to completing the table below.

| Differentiated Element | Description | Compensation Type and Size | Reach | Estimated Cost | Estimated Salary Expenditures |
|--|--|---|---|---|--|
| | <i>Describe how the district will differentiate for this element.</i> <i>Include the criteria for receiving the award.</i> | <i>Will the compensation be given as a bonus or a base pay increase?</i> <i>How much will qualifying teachers receive?</i> | <i>Eligibility: How many teachers are eligible for this type of compensation?</i> <i>Forecasted participation: How many teachers do you estimate will receive the award?</i> | <i>How much does the district estimate it will pay out for this differentiated pay element?</i> | <i>What percentage of salary expenditures (excluding benefit costs) does this element cover?</i> |
| Hard-to-Staff (School, Subject, or Placement) | N/A | | | | |
| Performance | N/A | | | | |
| Additional Instructional Roles or Responsibilities | <i>The district will add 8 Teacher Leader positions to serve as coaches for new teachers and teachers who are below the acceptable range in teacher evaluations.</i> | <i>An annual supplement of \$1,500 will be added to the base pay.</i> | <i>Any teacher with a level 5 teacher effectiveness score or a score of 4.0 or higher on the final qualitative evaluation score may apply for the position. Eight positions will be filled for the 2014-2014 school year.</i> | <i>The payout for these positions is estimated at \$12,000.</i> | <i>The estimated cost is less than 1% of salary expenditures</i> |

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| Additional Instructional Roles or Responsibilities | <i>The district will add 4 Technology Team Leader positions. Teachers filling these positions will hold at least one technology training session per month throughout the school year.</i> | <i>An annual supplement of \$1,000 will be added to the base pay</i> | <i>Eligibility for the position will include a demonstrated proficiency in the use of technology. Four positions will be filled.</i> | <i>The payout for the positions is estimated at \$4,000.</i> | <i>The estimated cost is less than 1% of salary expenditures.</i> |
| Education | <i>The MS+30 hrs. lane on the salary schedule will be closed to new participants. Current employees on the lane will continue on the lane until retirement, resignation or an additional degree is attained under the parameters listed below.</i> | <i>N/A</i> | <i>Only employees currently placed on the MS+30 hrs. will remain on the lane.</i> | <i>No additional funding will be needed.</i> | <i>N/A</i> |
| Education | <i>Participation in advanced degree lanes above M.S. will be limited to degrees in the content area the employee teaches. Current employees placed in advanced degree lanes will retain the placement. Employees currently engaged in obtaining an advanced degree may receive placement in the advanced degree lane if completed by August 2016.</i> | <i>No immediate change to current compensation.</i> | <i>All teachers will be eligible, provided the advanced degree is in the content area they teach.</i> | <i>No immediate change in the amount of salary funds paid. After 2016, a budget savings will be realized that can be redistributed to other salary components. Currently this is estimated at \$36,000 per year.</i> | <i>No immediate change. After 2016, this is estimated to be .5% of total salaries eligible to be re-purposed into other salary components.</i> |
| Experience | <i>The Years of Experience column on the salary schedule will be re-named as Steps. For 2014-2015, teachers will continue to receive 1 step on the salary schedule for 1 year of experience, through year 20.</i> | <i>No change to current compensation</i> | <i>No change to current eligibility</i> | <i>No change to current compensation</i> | <i>No change to current compensation</i> |

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| Other | <i>Teachers who reach initial tenure status with the district will be eligible to receive a one-time retention bonus.</i> | <i>A one-time bonus of \$1,000 will be paid after the teacher fulfills the eligibility requirements.</i> | <i>All teachers reaching initial tenure status may receive the bonus, providing all eligibility requirements are met. To be eligible, teachers must meet the requirements for tenure status and receive tenure status from the LCBOE, complete an employment contract for the following school year and complete 30 days of employment in the following school year. Six teachers will be eligible for tenure consideration in 2014-2015.</i> | <i>Estimated payout for the 2014-2015 school year is \$6,000 (6 employees will be eligible for tenure consideration).</i> | <i>Estimated cost is less than 1% of salary expenditures</i> |
| Other | <i>Teachers who attain National Board Teacher Certification will receive a one-time bonus.</i> | <i>A one-time bonus of \$1,000 will be paid after verification of national certification.</i> | <i>Any teacher receiving national certification will be eligible for the bonus. Teacher must present documentation verifying receipt of certification to receive the bonus.</i> | <i>Estimated payout for 2014-2015 is \$0. No teachers are currently engaged in completing this program.</i> | <i>Cost is 0% of salary expenditures.</i> |
| Other | <i>Teachers who attend professional development sessions targeted to district needs will receive a stipend . Attendance must be during off contract times.</i> | <i>Teachers will receive a stipend of \$120 for a full day session or \$60 for a half-day session.</i> | <i>To be eligible for the stipend teacher must attend a professional development session targeted to district needs and designated as eligible by the Director of School and Supervisor of Instruction. Attendance must be during summer, school break or other off contract time. Number of teachers eligible will depend of length of sessions chosen. Projected budget amount includes 91 full day sessions.</i> | <i>Estimated cost is 10,920.</i> | <i>Estimated cost is less than 1% of salary expenditures.</i> |

II. Salary Schedule (Required Section)

1. Please include below or attach a copy of the district's proposed 2014-15 salary schedule.

See Attached.

III. Eligibility and Stakeholder Engagement (Optional Section)

1. Provide a list of eligibility rules (i.e., attendance requirements, retirement or transfer policies, etc.) for the differentiated pay plan elements or additional roles/responsibilities outlined in the plan.

Teacher Leaders – To be eligible for the position, teachers must have a level 5 teacher effectiveness score or a score of 4.0 or higher on the qualitative evaluation score.

Technology Team Leaders – To be eligible for the position, teachers must have a demonstrated proficiency in the use of technology.

Tenure Bonus – Teachers must qualify for tenure and receive tenure status from the Lenoir City Board of Education. Additional requirements include completing a contract for the following school year and completing 30 days of employment in the following school year.

National Board Teacher Certification Bonus – To qualify for the bonus, the teacher must be awarded national certification status and present documentation verifying this status.

Professional Development Stipend – To qualify for the stipend, teachers must attend professional development sessions designated by the Director of Schools and Supervisor of Instruction which will be targeted to district needs. Attendance at the sessions must be during times that the teacher is not on contract.

2. Include a description of how the district engaged teachers or other stakeholders in the development of the differentiated pay plan.

The Director of Schools assembled a 15 member Differentiated Pay Design Team comprised of teachers, administrators and a board member to develop the differentiated pay plan. The team included classroom teachers and teachers in specialty areas, as well as teachers at various levels of teaching experience. The team met throughout the fall to suggest and evaluate several differentiated elements. The team was also responsible for disseminating information and gathering input from the school faculties. Once the team completed the plan, the Director of Schools met with each school faculty to discuss the plan and to request feedback. The Director of Schools also presented the plan to the Lenoir City Board of Education, who approved the plan on January 19, 2014.

IV. Alternative Salary Schedule (Optional Section)

An alternative salary schedule uses some other component, often performance criteria, in addition to or in place of education and experience to determine base pay and is subject to State Board of Education (SBE) approval. If you are unsure whether your plan qualifies as an alternative salary schedule or for additional resources for developing such a plan, contact Laura Encalade at Laura.Encalade@tn.gov for more information. Please review the [specific submission timeline](#) for alternative salary schedules on page 2.

Those districts proposing an alternative salary schedule as part of their differentiated pay plan, must complete this addendum to provide the department with the additional information needed to present the salary schedule to the SBE on behalf of the LEA. Those districts which already have SBE approved alternative salary schedules need only to submit a current copy of that plan.

a. Salary Schedule

Include both the proposed salary schedule and a description of the following:

- How will base pay changes be determined?
- Will existing employees have an opt-out provision for the alternative salary schedule? If so, when will all employees transition to the alternative salary schedule?
- How will the following groups be placed on the alternative salary schedule?:
 - Existing district employees
 - Educators new to teaching with zero years of experience
 - Educators new to the district but with prior experience

For 2014-2015, Lenoir City Schools will make the following changes to the salary schedule:

Years of Experience – The Years of Experience column will be re-labeled as Steps. For 2014-15 teachers will continue to receive one step on the salary schedule for one year of experience. New employees with no experience will be placed on Step 0 and employees with prior experience will be placed on the step that corresponds with their years of experience.

Advanced Degrees – Beginning with 2014-2015, the MS=30 hrs. lane on the salary schedule will be closed to new participants. The current employees on this lane will continue on this lane until retirement, resignation or attainment of an additional degree under the parameters listed below.

Beginning with 2014-2015, must have a degree in their content area from a regionally accredited university or college to qualify for placement on the EDS or EDD lane. Content area is defined as the broad subject area taught by the teacher, such as ELA, mathematics, history, etc. Current

employees with placements on the EDS or EDD lane will retain that placement. Employees who are currently engaged in an advanced degree program leading to a EDS or EDD degree must notify the Central Office in writing by July 1, 2014 of intent to obtain an advanced degree. Upon completion of the degree, the teacher will be placed on the appropriate salary lane, provided documentation of the degree is presented to the Central Office by August, 2016 and appropriate licensure is obtained. After August, 2016, EDS and EDD degrees must be in the content area taught by the teacher, as defined above, to qualify for placement on those lanes.

b. Eligibility Criteria

If not already included in Section IV on the previous page, describe below or include in an attachment a copy of any eligibility rules for the alternative salary schedule.

All teachers may qualify for placement on EDS and EDD degree lanes under the terms listed above. Teachers who are currently placed on an EDS or EDD lane will retain placement on the lane and will not be required to satisfy additional eligibility requirements.

c. Feasibility Analysis

Attach evidence using 2012-13 data (at a minimum) that the alternative salary schedule is financially feasible. Please reach out to Laura.Encalade@tn.gov for additional information or support in meeting this requirement.

d. Stakeholder Engagement

Include a description of how the district engaged teachers or other stakeholders in the development of the differentiated pay plan.

Appendix A: Common Differentiated Pay Definitions

1. Base pay (base salary): An individual's salary excluding any additional compensation in the form of bonuses, stipends, or supplements for additional work or responsibilities.
2. Bonus/stipend: Additional compensation for a pre-defined set of criteria. Bonus and stipend pay are awarded in addition to or "on top of" an individual's base pay. Bonuses/stipends are one-time payments awarded for a specific role, additional responsibility, or achievement of particular criteria. Bonuses and stipends are not a part of base salary and do not become a reoccurring part of an individual's compensation.

3. Traditional salary schedule (or step and lane schedule): A salary schedule that uses years of experience and education levels exclusively to determine educator's increases in base pay. Traditional schedules may follow the same structure as the state minimum salary schedule. Salary schedules that modify the amount of the step increases given for experience or change the structure of the education lanes may still be considered a traditional schedule as long as they meet or exceed the relevant state minimums.
4. Alternative salary schedule¹: A salary schedule that uses some other component, often a performance measure, in addition to or in place of education and experience to determine base pay. A schedule where an educator's evaluation score is used to determine the amount of his or her yearly base pay increase is an example of an alternative salary schedule. Alternative salary schedules are subject to State Board of Education approval.
5. Opt-in/opt-out provision: Individuals are provided with the choice to participate in a program. This provision is most often associated with alternative salary schedules and is not a required provision.

¹ If you are unsure as to whether your plan is a traditional salary schedule or an alternative salary schedule, please contact Laura.Encalade@tn.gov.

Appendix B: Sample Differentiated Pay Plan Table

Note that these examples are for purposes of explaining HOW TO complete each of the table criteria. These examples are NOT intended to be recommendations or endorsements for specific differentiated pay elements. Districts are required to differentiate pay for **at least one element** in addition to **education and experience**. Because plans may include a combination of several elements, please add rows or repeat differentiated elements as needed. Please feel free to delete from the table any differentiated elements that will not be used in the district's plan.

| Differentiated Element | Description | Compensation Type and Size | Reach | Estimated Cost | Salary Expenditures |
|--|--|--|---|---|--|
| | <p><i>Describe how the district will differentiate for this element.</i></p> <p><i>Include the criteria for receiving the award.</i></p> | <p><i>Will the compensation be given as a bonus, stipend, or a base pay increase?</i></p> <p><i>How much will qualifying teachers receive?</i></p> | <p><i>Eligibility: How many teachers are eligible for this type of compensation?</i></p> <p><i>Forecasted participation: How many teachers do you estimate will receive the award?</i></p> | <p><i>How much does the district estimate it will payout for this differentiated pay element?</i></p> | <p><i>What percentage of salary expenditures (excluding benefit costs) does this element cover?</i></p> |
| Hard-to-Staff (School, Subject, or Placement) | The district will offer a signing bonus and retention bonus in the hard-to-staff area of secondary math. This will include positions in Algebra II, Pre-Calculus, and Calculus. | The award will be given as a two-part bonus. \$1,000 at the time of signing and an additional \$2,000 at end of the school year when evidence of satisfactory evaluation results are also available. | <p>This award will be available to new teachers to the district. The district typically hires 2 positions per school year in the areas defined.</p> <p>Existing teachers (3) in the subjects defined will also be eligible for the same bonus as a retention incentive.</p> | The estimated total for this is \$15,000 (5 teachers at \$3,000 each). | This award makes up less than 2% of the district's annual salary costs. |
| Performance | The district will incorporate a new salary schedule that uses evaluation criteria to determine base pay changes ² . A full description of the new schedule is attached in the addendum. | Teachers who receive a 3 will receive a base pay increase of 3-\$300, 4-\$500, 5-\$700. Those teachers receiving a 1 or 2 will not increase their base pay. | <p>All teachers (150) are eligible to receive the award.</p> <p>A copy of the complete eligibility rules is attached.</p> <p>Based on the last two years of evaluation data, the district anticipates between 80-85% of</p> | <p>The district anticipates the total cost to be \$40,000 based on last year's evaluation data.</p> <p>The district will sustain this cost by removing base pay</p> | These payouts will form close to 100% percent of salary costs, with the exception of some career ladder and other supplements. |

² This differentiated element would qualify as an alternative salary schedule, and the district would need to complete the [Alternative Salary Schedule section](#) on page 5.

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| | | | teachers will receive a base pay change. | increases for Level 1 and 2 teachers. | |
| Additional Instructional Roles or Responsibilities | <p>The district will further its implementation of PLCs through the creation of a PLC leadership role.</p> <p>Highly effective teachers (scores of 4 or 5) will receive a stipend to lead and facilitate the monthly PLC meetings.</p> | The award will be given yearly in the form of a \$1,000 stipend. | <p>Any teacher who receives a 4 or 5 on their evaluation would be eligible to apply for the position. District and school leaders will then screen for additional qualities like leadership and facilitation skills. (Draft job description is attached.)</p> <p>There will be a total of 20 PLC leaders in the district:</p> <ul style="list-style-type: none"> - 6 at the high school, - 4 at the middle school, - 5 at each of the 2 elementary schools. | The estimated cost of these awards is \$20,000. | This will compromise about 2% of district salary expenditures. |
| Education | <p>The district will include Bachelor's and Master's degrees for eligible base pay compensation as shown in the attached 2014-15 salary schedule. Degrees above a Master's will no longer be compensated in base pay.</p> <p>Advanced degrees above Master's degree will be eligible for tuition reimbursement with district pre-approval.</p> | <p>Master's degrees will be awarded with a base pay increase.</p> <p>Tuition reimbursement stipends of \$4,000 per year per individual for advanced degrees above Master's. The district must be notified in advance of the start of a program by the educator in order to receive the stipend.</p> <p>Those teachers currently enrolled in programs prior to July 1, 2014 will be eligible for base pay increases on the previous year's schedule, provided that those programs are completed by July 1, 2016.</p> | <p>The district currently has 15% of its teachers with an advanced degree above the Master's Level.</p> <p>We anticipate based on previous data that approximately 10-12 teachers will qualify for tuition reimbursement stipends each year.</p> | <p>This estimated total cost of this element is \$40,000-48,000 per year.</p> <p>The district expects to fund this cost by limiting permanent base pay increases to Master's degrees only.</p> | This will comprise about 8% of district salary expenditures. |
| Experience | The district will continue to award step increases for each | Each teacher will earn a yearly step increase for years of | All teachers are eligible. | The average step increase in the | This experience payment makes up |

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| | year of experience. The attached salary schedule contains proposed amounts. | experience. | | district is \$400 per year. The estimated cost is \$100,000 | 20% of the districts expenditures on salary. |
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